SHIN

LINKING INTO A HEALTHIER FUTURE.

2002/2003 ANNUAL REPORT

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LETTER OF TRANSMITTAL

Regina, Saskatchewan
March 31, 2003

To Her Honour Lynda Haverstock
The Lieutenant Governor of the Province of Saskatchewan

I have the honour of submitting herewith the Annual Report of the Saskatchewan Health Information Network (SHIN) for the year ending March 31, 2003, including the financial statements duly certified by auditors for the corporation, and in the form approved by the Treasury Board, all in accordance with The Crown Corporations Act, 1993.

Respectfully submitted,

John J. Nilson

Honourable John Nilson,
Minister of Health

SHIN BOARD OF DIRECTORS

The SHIN Board of Directors is made up of representatives from across the health sector and the general community. *Board members are pictured left to right.*

Front row: **Kelly Block**, **John R. Grossman**, Board Chair, **Brian Rourke**, Board Vice-Chair, **Donna Brunskill**

Back row: **Dean Ast**, **Rae Haverstock**, **Lawrence Krahn**, **Dr. Dennis Kendel**, **Dr. Rob Weiler**

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MESSAGE FROM THE BOARD CHAIR

The past year proved to be both exciting and challenging for SHIN, and the Board of Directors.

It is gratifying to see SHIN provide value to the Saskatchewan health sector. As a result, Saskatchewan health-care providers are using technology to a greater degree in their daily work than they were just a few years ago. As well, the systems are better integrated thanks to the strategic investments made by SHIN.

SHIN ENSURES ITS INVESTMENTS MEET THE NEEDS OF HEALTH-CARE PROVIDERS AT THE GRASSROOTS LEVEL.

While SHIN support services have grown at a rapid pace – the Help Desk supports approximately twice as many users as it did last year – SHIN continues to surpass its high standards for quality service by an overwhelming margin.

Although implementing and supporting health-information systems is a uniquely challenging endeavour, the real challenge is developing an approach that ensures all projects and services reflect the priorities of the health system, while providing good value for the investment.

SHIN plays a critical role in identifying the need for an information system and assisting the end users in developing requirements and procuring the applications. SHIN must also ensure each investment is a strategic fit, not just in Saskatchewan but also inter-provincially and nationally. Throughout its activities SHIN collaborates and consults with health-sector partners, including front-line health-care providers.

Rather than a small group of executives making information technology decisions to increase the efficiency of an organization, as might be the case in a large corporation, SHIN ensures its investments meet the needs of health-care providers at the grassroots level. As well, SHIN understands that development can only proceed as quickly as the health sector is willing and able to go.

Certainly, this approach takes time. However, as a board, we know it is the right approach. We represent a cross section of the community and health sector. It is our role to ensure SHIN meets the needs of health consumers, physicians, nurses and other health-care providers, as well as Regional Health Authorities and the Government of Saskatchewan.

It is also our role to provide strategic business direction and to ensure that SHIN not only follows that direction, but that it also performs its responsibilities within the context of both statute and its own policies.

We monitor SHIN's activities and progress through a variety of sub-committees: the Policy and Governance Committee; the Finance and Audit Committee; and the CEO Evaluation Committee.

The Board invested considerable effort over the last year in adopting the Carver Policy Governance Model. As a result, the SHIN Corporate and Financial Policy Manual was revamped, and policies such as the SHIN IT Acceptable Use Policy, Criminal Record Checks for Employees/Contractors and the SHIN IT Security Policy were expanded or added. We also adopted a Board Policy and Governance Manual to reflect the Carver framework for success.

We are consistently impressed with the dedication and commitment of SHIN staff and we are very proud of their accomplishments over the past year.

John R. Grossman, C.A.
Chair – *SHIN Board of Directors*

LETTER

In 2002/2003 SHIN continued to add real value to the Saskatchewan health sector by putting information technology solutions in the hands of health-care providers.

SHIN worked with home-care providers in five regions to implement a system they are now using to schedule and track client visits. As well, a new electronic lab system has been implemented in Swift Current.

These developments are part of the Integrated Clinical System project involving SHIN and the province's five mid-sized health regions. These systems will eventually form the basis for a core electronic health record.

SHIN assisted the Saskatchewan Medical Association in providing about 60 physicians with access to Saskatchewan Health applications and online research tools through a common desktop system. SHIN centrally hosts the system and provides training and support to physicians using it.

Long-term care providers in Eastend are now working in a virtually paperless environment after implementing an electronic system to document and track all of the care received by each client. SHIN hosts the service and users access the system over CommunityNet.

As well, in 2002/2003 the range of services and technical support offered to regions and agencies increased significantly. The SHIN Help Desk now serves more than 6,000 users in seven health

LETTER FROM THE CEO

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regions, the Department of Family Medicine, the College of Physicians and Surgeons of Saskatchewan and the Saskatchewan Cancer Agency. SHIN is also now hosting 10 applications, six Web sites and four operating system environments for regions and organizations across the province.

These and other developments are due to SHIN's investment in the health sector's information technology foundation. Infrastructure development, consultations and pilot projects are now paying dividends by making it easier and more cost-effective to implement and integrate information technology in the health sector.

This progress is also due to SHIN's collaborative approach to identifying the health sector's common information technology needs and priorities and using them to create a long-term vision for SHIN and the health sector. This work is accomplished through a number of joint committees involving regional and health-agency partners.

The complexion of Saskatchewan's health sector changed significantly in 2002/2003 with the move from 33 health districts to the new Regional Health Authority structure. As a result, SHIN's collaborative network continues to evolve. SHIN's approach will not change, and we are already enjoying productive relationships with our regional partners.

On the national front, SHIN continued to work with the other western provinces and territories through the Western Health Information Collaborative (WHIC). A key initiative of WHIC is the Provider Registry project. This registry would eliminate the use of often out-dated and duplicate paper-based provider lists, which now exist in facilities and regions across the province. The project is a fundamental building block of the electronic health record.

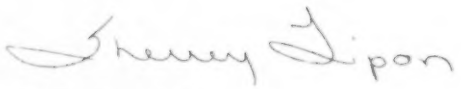
In late 2002, we were very pleased to learn SHIN would receive Canada Health Infoway funding to develop a plan for Phase Two of the Provider Registry project. The fact Infoway chose

THE FUTURE OF OUR PUBLICLY FUNDED HEALTH-CARE SYSTEM WAS A TOP-OF-MIND CONCERN FOR CANADIANS IN 2002/2003. THE ROMANOW COMMISSION AND FYKE COMMISSION REPORTS RECOGNIZED THE VALUE OF ELECTRONIC HEALTH RECORDS IN A MODERN, EFFICIENT HEALTH-CARE SYSTEM.

Saskatchewan as one of three provinces to receive funding confirms the strength of SHIN's collaborative approach and ability to execute strategic IT solutions in the health sector. It also recognizes that Saskatchewan is a leader in electronic health-record initiatives in Canada.

The future of our publicly funded health-care system was a top-of-mind concern for Canadians in 2002/2003. The Romanow Commission and Fyke Commission reports recognized the value of electronic health records in a modern, efficient health-care system. This recognition is encouraging and SHIN is well positioned to continue to make significant contributions to Saskatchewan's health-care system.

I want to thank the SHIN staff, the Board of Directors and all of our partners and stakeholders for their hard work and commitment to using information technology to improve health-care services for Saskatchewan people. I look forward to another exciting and productive year of building in 2003/2004.



Shelley Lipon, C.A.
CEO SHIN

SHIN – THE FOUNDATION

The SHIN projects and services that today are adding significant value to the Saskatchewan health sector would not have been possible without the "below ground" work accomplished by SHIN since it was first established.

The origins of SHIN go back to Saskatchewan's reform of the health system in 1992. Emerging from that process was the recognition that a provincewide health-information system connecting health-care providers, agencies and systems with each other would be an important element of ensuring the sustainability of the health system.

SHIN was established in August 1997 as a Treasury Board Crown Corporation. It was intended to be a tool of the health system that would give health-care providers across the province quick and easy access to information critical in treating patients.

AS A KEY PART OF ITS INITIAL DEVELOPMENT SHIN CONDUCTED EXTENSIVE CONSULTATIONS WITH A BROAD RANGE OF HEALTH-CARE PROVIDERS AND STAKEHOLDERS ACROSS THE PROVINCE.

The Corporation was to assist health districts/regions in implementing systems that would use a highly secure health network to feed health information into an electronic health-record system. The information in these records would be accessible by authorized health-care providers only for use in treating their patients.

SHIN's success has been dependent on the involvement of health-care providers at a grassroots level. As a key part of its initial development SHIN conducted extensive consultations with a broad range of health-care providers and stakeholders across the province. This exchange identified four key priorities that providers felt SHIN needed to address to enhance patient care.

- Essential information about a patient is not available when they return to their community.
- Information about previous treatment plans is not available.
- Diagnostic test data is not available resulting in repetition of tests.
- Essential data is not available for emergencies.

The consultation process also revealed a significant information technology gap within the health sector. SHIN recognized that it would first be necessary to build the base to support the technology required for a provincewide health-information system.

Somewhat like building the foundation of a house, SHIN invested in the design and development of a provincewide network infrastructure, including:

- a data centre;
- a help desk;
- a test lab;
- the first phase of district connectivity; and
- the first phase of security infrastructure development.

This low-profile, but important, work positioned SHIN to offer common information technology solutions to the health sector to ensure better communication, provide an enhanced level of information technology support to health-care providers and reduce the need for duplicate services, staff, equipment and maintenance throughout the province.

SHIN developed an e-mail system for the health sector, making it possible for networked users to communicate and transfer information electronically. As well, users have access to calendars and a common address list, and they are able to schedule meetings and share information through the use of public folders. In addition the system provides enhanced security services on a wide range of services.

The SHIN Help Desk provides network users with a place to call when they need help with their information system or if they are having trouble with a SHIN supported health-care application. In addition, the Help Desk acts as an information source for users, providing them with regular updates on upgrade plans, maintenance schedules and other new developments. It also provides reports that enable managers to track problems with applications or hardware.

The SHIN Help Desk provides basic support to users from 7a.m. to 5 p.m. Monday to Friday. It provides clinical application support to users 24 hours a day seven days a week.

Annual surveys of SHIN's Help Desk show a high satisfaction rate among users. In 2002/2003 the satisfaction rate was found to be 93%.

This infrastructure positioned SHIN to integrate a number of separate health-information networks and begin adding services to the "foundation" which supports the health sector.

In 1999/2000 SHIN began work with various stakeholder organizations to develop pilot projects that would build on SHIN's existing infrastructure, address one or more of the identified priorities, meet the needs of the stakeholder organization, and make progress toward SHIN's overall goal of developing a provincewide electronic health record. This work resulted in significant support for SHIN among its health-sector partners.

Between 2000/2001 and 2002/2003 SHIN together with its health-sector partners began work in the regions on laying the ground work for a regional health record *(for more details see SHIN Projects section)*.

VISION

IMPROVING THE HEALTH OF RESIDENTS OF SASKATCHEWAN THROUGH HEALTH-INFORMATION TECHNOLOGY LEADERSHIP.

OF HEALTH INFORMATION

SHIN continues to be an expert resource for the Saskatchewan health sector in its efforts to ensure personal health information remains secure and is accessible by health-care providers for treatment purposes only on a need-to-know basis.

The protection of personal health information has always been a matter of paramount importance to SHIN. As SHIN facilitates the increased use of integrated information technology systems to record, store and transmit the personal health information of Saskatchewan residents, ensuring the security and privacy of this information becomes even more critical.

Security has been described as the preservation of the confidentiality, integrity and availability of personal health information. SHIN employs a number of resources and technologies to maintain the security of patient information, such as firewalls, intrusion-detection software, virus-detection measures and encryption. These efforts help ensure the network, databases and patient information are protected and secure.

Saskatchewan residents also expect and demand privacy – the right to control who has access to their personal health information, and under what circumstances. When a patient shares information with a care provider, the patient should feel confident that the information will be used appropriately, and only those who require the information to provide care will have access to it.

SHIN has developed policies and practices to increase the level of privacy of patient records and personal information beyond that of paper-based files. For example, strong authentication procedures ensure only authorized personnel have access to specific information. Audit trails provide the ability to determine when data has been accessed, and by whom.

In 1999/2000 SHIN participated in a working group with the Canadian Institute for Health Information (CIHI) on the development of a highly secure telecommunications infrastructure called Public Key Infrastructure (PKI). PKI is a combination of policy, practices and technology that provides the framework to implement and support SHIN security measures. This ensures that the transfer and storage of health information will be done securely, and will ensure compatibility with industry standards.

The privacy and security of personal information became a top-of-mind issue in 2002/2003 as a result of some high-profile events involving the personal information of Saskatchewan residents. As a result, the Government of Saskatchewan requested that Deloitte and Touche conduct an independent privacy assessment of all departments and agencies surrounding the collection, use and disclosure of personal information. The review found that SHIN's security controls to safeguard personal health information are extensive and it made no recommendations for change or expansion to those controls.

In the fall of 2002, The Provincial Auditor surveyed government agencies to determine if adequate policies and procedures were in place to protect and control the confidentiality, integrity and availability of systems, data and services from accidental and deliberate threats. SHIN was able to identify existing policies and procedures in response to the survey, again demonstrating continual focus and advancement on security.

LINKING INFORMATION ELECTRONICALLY FOR BETTER DECISIONS

THE NATIONAL FRONT

All provinces across Canada are involved in developing and implementing health-information-type systems within their health sectors. Among those provinces SHIN is considered to be a leader. SHIN has collaborated with other players on the national scene, and in 2002/2003 these partnerships began to pay dividends.

SHIN is a member of the Western Health Information Collaborative (WHIC). Other members include representatives from Alberta, British Columbia, Manitoba, the Northwest Territories, Nunavut and the Yukon.

A MAJOR PROJECT CURRENTLY UNDERWAY IS A PROVIDER REGISTRY SYSTEM. THE GOAL IS TO DEVELOP A CENTRALIZED PROVIDER REGISTRY TO BE USED IN EACH OF THE FOUR WESTERN PROVINCES.

This group is working together on common areas of interest around health-information initiatives. It is leveraging federal and provincial resources and facilitating the development of connecting infrastructures. Jurisdictions share lessons learned from initiatives under development. As a result, SHIN is able to learn from the work of others and move more quickly and efficiently to solutions.

A major project currently underway is a Provider Registry System. The goal is to develop a centralized provider registry to be used in each of the four western provinces. It will eventually contain key health-care provider data on licensed and unlicensed health providers in the province. British Columbia is taking the lead on this project and the first phase of development has taken place in that province.

All WHIC members have agreed to share the cost of development of a provider registry, reducing costs and enabling common design around electronic health-information storage across jurisdictions.

In 2000, the federal government established the Canada Health Infoway Corporation and committed $500 million to support electronic health-record development nationally. Funding will be targeted to provinces that are working collaboratively on health information technology development.

SHIN's work with WHIC paid dividends in late 2002, when SHIN received Infoway funding to develop a plan for the second phase of the Provider Registry project. Saskatchewan was chosen to receive the funding because of groundwork already established by SHIN in electronic health-record development, as well as SHIN's solid relationships with health regions and western counterparts.

SHIN will continue to collaborate with other provinces to minimize the duplication of work and costs, while at the same time receiving maximum value for its investment in health-information systems.

SHIN SUPPORT SERVICES – GROWTH AND EXCELLENCE

SHIN Help Desk analysts answer on average 120 calls per day from health-system users.

SHIN's Support Services include the SHIN network, the Help Desk and the data centre or hosting environment. The Support Service area continued to expand in 2002/2003. It is now providing more services to more customers – while at the same time maintaining the exceptional quality of services offered to regions, agencies and health-care providers.

"SHIN SERVICE HAS ALWAYS BEEN EXCEPTIONAL."

Gayleen Robertson, *Psychologist, Sunrise Regional Health Authority*

CommunityNet, the Saskatchewan health sector's secure high-speed network, connects 297 health-care facilities in 126 communities. This includes 12 Regional Health Authorities, the Saskatchewan Medical Association, the Saskatchewan Association of Health Organizations, the College of Physicians and Surgeons of Saskatchewan, the College of Dental Surgeons of Saskatchewan, the Saskatchewan Cancer Agency and the Department of Family Medicine. SHIN anticipates connecting with the Athabasca Health Authority early in 2003/2004.

The network enables health-care providers, regions and agencies to communicate with each other quickly, easily and securely in an electronic format.

"I HAVE GOTTEN PROMPT EXPERT SERVICE."

Dr. Leo O. Lanoie, *Medical Health Officer, Prince Albert Regional Health Authority*

Help Desk services expanded in 2002/2003 to support 6,305 users in seven health regions, the College of Physicians and Surgeons of Saskatchewan, Saskatchewan Cancer Agency and the Department of Family Medicine.

In addition SHIN Help Desk hours expanded in 2002/2003. SHIN provides basic support to users between the hours of 7 a.m. and 5 p.m. It also now provides clinical application support 24 hours a day, seven days a week.

SHIN provides initial or tier-one support to users on all office automation and hosted applications. This service reduces the demand for local tier-one support and enables local information technology staff to more effectively focus on local issues rather than on specific

SHIN Help Desk analyst Ian Zerr answers calls from health system users.

application issues. The SHIN Help Desk also increases the depth and breadth of experience and technical expertise available to the Saskatchewan health sector.

The SHIN 2002 survey of Help Desk users indicated a high level of satisfaction with the service. Ninety-three per cent of respondents said they were generally satisfied with the contacts they had with the SHIN Help Desk. Eighty-one per cent rated their overall satisfaction with the Help Desk's response as excellent or good.

"ALWAYS COURTEOUS AND HELPFUL, AT NO TIME HAS ANYONE EVER MADE ME FEEL SILLY."

Kelly Karius, Social Worker, *Sunrise Regional Health Authority*

SHIN also has a central hosting environment for health agency and health region applications, operating system environments and Web sites. This central hosting environment reduces the need for duplicate hosting environments across the province, as well as duplicate

"EXCEPTIONAL SERVICE IN ALL ASPECTS - APPRECIATE THE PATIENCE AND GUIDANCE OF SHIN IN MANY MATTERS THAT TO YOU MUST BE ROUTINE."

Elaine Andrusiak, Assistant Head Nurse, *Sunrise RHA*

applications, duplicate application maintenance, and regionally employed staff with highly specific technical knowledge.

SHIN centrally hosts 11 systems for regions or agencies, including a long-term-care assessment application accessed by more than 983 users in 35 long-term care facilities. SHIN also hosts a Renal Data Management system accessed by 257 users and a long-term care electronic patient record used by 281 long-term care providers in four facilities.

SHIN hosts three environments including patient administration for the Prince Albert Parkland Regional Health Authority, practice management for the Department of Family Medicine, and an electronic health record for the Saskatoon Regional Health Authority.

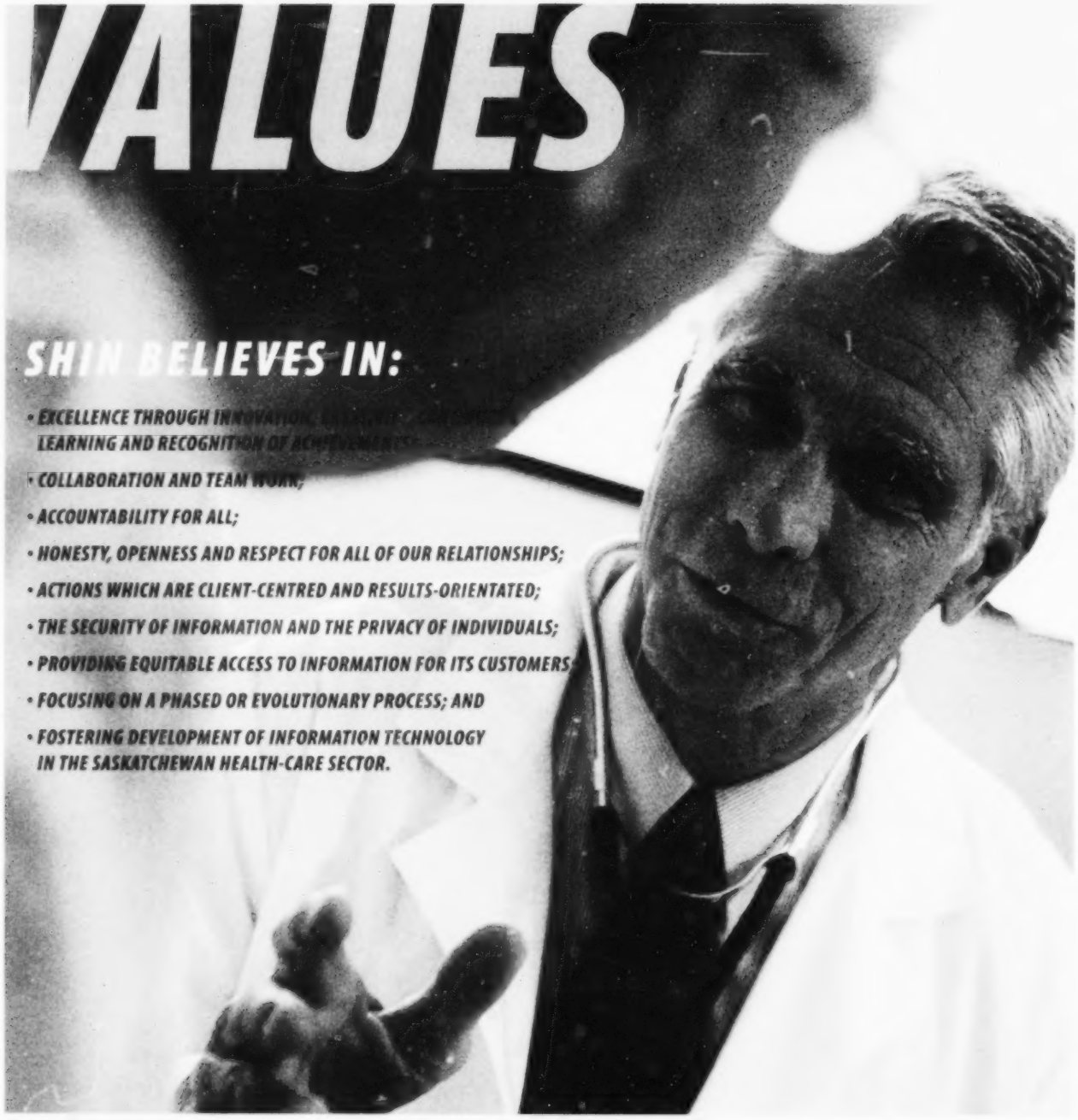
SHIN also provides Web site hosting services for health regions and is currently hosting six different sites.

In 2002/2003, SHIN completed work on the Information Technology Business Continuity Plan – a contingency plan to ensure SHIN restores vital information technology services based on customers' priorities in the event of a serious service disruption.

SHIN will continue to expand its network and support services to meet the needs of its health-sector partners, and is committed to maintaining a high level of satisfaction among users of its services.

VALUES

VALUES



SHIN BELIEVES IN:

- EXCELLENCE THROUGH INNOVATION, LEARNING AND RECOGNITION OF ACHIEVEMENTS;
- COLLABORATION AND TEAM WORK;
- ACCOUNTABILITY FOR ALL;
- HONESTY, OPENNESS AND RESPECT FOR ALL OF OUR RELATIONSHIPS;
- ACTIONS WHICH ARE CLIENT-CENTRED AND RESULTS-ORIENTATED;
- THE SECURITY OF INFORMATION AND THE PRIVACY OF INDIVIDUALS;
- PROVIDING EQUITABLE ACCESS TO INFORMATION FOR ITS CUSTOMERS;
- FOCUSING ON A PHASED OR EVOLUTIONARY PROCESS; AND
- FOSTERING DEVELOPMENT OF INFORMATION TECHNOLOGY IN THE SASKATCHEWAN HEALTH-CARE SECTOR.

SHIN'S 2002/2003 BALANCED SCORECARD - RESULTS

SHIN IS THE ACKNOWLEDGED EXPERT IN DELIVERING SECURE HEALTH INFORMATION RESOURCES FOR BETTER HEALTH

FINANCIAL
Did the Board exercise due diligence in financial oversight?

Goal	Result
SHIN operates within the approved budget	SHIN operated within budget and results were reported at Board meetings
A statement of services is provided to customer	Statements issued to all Regional Board chairs, CEOs and CIO forum members

STAKEHOLDERS
How do our stakeholders evaluate our projects?

Goal	Result
7 Regions are utilizing the SHIN Help Desk	7 Regions and the Saskatchewan Cancer Agency are using the help desk
100% of Districts are connected to the Network	12 Regions are connected (100%)

INTERNAL BUSINESS PROCESS
What must we excel at?

Goal	Result
Services are available 99% of the time	***High business impact services available 98.5%. Medium business impact services available 94.0%. Low business impact services available 99.0%
80% of customers are satisfied	96 % of survey respondents were satisfied with the service; 51% indicated "excellent service."
70% of projects are delivered within 10% of budget and schedule based on the initial project plan	**100% of completed projects were within 10% or under budget. 67% of completed projects were within 10% of schedule or early

LEARNING AND GROWTH
Can we continue to improve and create value?

Goal	Result
Improve 6 key project management practices	*5 key practice areas were improved
80% of the users are satisfied	96 % of survey respondents were satisfied with the service 51% indicated "excellent service."

* One key practice area utilized a more significant amount of resources than planned.
** Scheduling issues related to regionalization were more than anticipated.
*** The missed 99% was the result of network availability and major outages in the e-mail gateway and the bed management system.

REFLECT THE PRIORITIES OF THE HEALTH SYSTEM

What we planned	What we did	What this means
SHIN has an improved knowledge of the priorities of the health system	Maintained and participated in health-sector information technology committees on a regular basis	Common work reduces duplicate efforts and duplicate spending
	Participated in inter-provincial and national health information technology committees	Common work reduces duplicate efforts and duplicate spending
SHIN has systems and practices to ensure projects reflect the priorities of the health system	SHIN surveyed partners to confirm priorities	Health-sector priorities drive SHIN development
	SHIN conducted a provincial Information Technology planning process with newly formed regional health authorities	A common plan will ensure a more integrated health system in the longer term
	Participated in Western Health Initiative Collaborative (WHIC)	Health-sector priorities drive SHIN development
Our stakeholders know our actions reflect the priorities of the health system	Developed and distributed newsletters	Health stakeholders and providers are better able to make informed suggestions about SHIN development
	SHIN's CEO made presentations to regions and stakeholders to report on SHIN's progress and development plans	SHIN provides stakeholders with accurate, up-to-date and easy-to-understand information on SHIN and health information technology
	Web site was updated regularly	SHIN ensures information on Corporation's development is readily available to health providers and the general public
	Presentation made to new regional board members	SHIN ensures information on Corporation's development is readily available to health providers and the general public
	Project updates and articles were made available to regions and stakeholders	SHIN ensures information on Corporation's development is readily available to health providers and the general public
	2001/2002 Annual Report was distributed to a broad range of stakeholders	SHIN ensures information on Corporation's development is readily available to health providers and the general public

PROTECT THE PRIVACY OF PERSONAL HEALTH INFORMATION

What we planned	What we did	What this means
Improve systems, policies and practices to protect the privacy of personal health information as an information manager	Enhanced corporate and security policies	SHIN is taking a leadership role in the development of policies and practices to protect personal health information
	Developed and enhanced operational practices to support SHIN policies	SHIN is taking a leadership role in the development of policies and practices to protect personal health information
Develop improved systems, policies and practices to ensure projects address privacy and security	Continued to develop the process for security assessment	Privacy and security of health information are key elements of all SHIN projects
Maintain compliance with the systems and practices	Participated in independent review of security policies and procedures by Deloitte and Touche, and the Provincial Auditor	SHIN's systems and practices are appropriate and are followed
Stakeholders are confident that their personal health information is private and protected	Entered into service agreements and, where required, confidentiality agreements with stakeholders	Stakeholders have assurances that personal health information will be protected
	SHIN's CEO made presentations to health regions and agencies identifying progress and development plans for SHIN	SHIN is providing information to health-care providers and gathering feedback to help to ensure SHIN meets the needs of providers

IMPROVE ACCESS TO INFORMATION FOR THE HEALTH SYSTEM WHEN IT IS PROVIDING SERVICE TO THE PEOPLE OF SASKATCHEWAN

What we planned	What we did	What this means
Health system has an efficient and effective information systems infrastructure to meet its priorities	Completed connecting health facilities to the SHIN network via CommunityNet	All communities will have better access to provincial health services
	Negotiated service levels with our service providers	Health sector is better able to use information technology to meet its service needs
	Explored ways to provide redundant connectivity	SHIN standards ensure systems and applications are supported and available for health-care providers
	Developed a process to monitor service levels for complete end-to-end offering	SHIN infrastructure meets the needs of the Saskatchewan health sector
	Developed an Information Technology Services Continuity Plan	SHIN infrastructure is safeguarded against outages
	Expanded Help Desk hours for clinical application support to 24 hours a day seven days a week	SHIN Help Desk is available to support centrally hosted clinical applications when health providers are using them
	Developed support procedures for new Integrated Clinical System, provider registry and lab applications	Health-care providers have access to new, fully supported applications on an ongoing basis
	Surveyed Help Desk users to ensure satisfaction	SHIN users identified a 93% satisfaction rate with the SHIN Help Desk
Foster the development and use of common integrated information systems with a client focus across the health system	Implemented home-care and pharmacy components of Integrated Clinical Systems (ICS) project in five regions	Enables providers to have relevant patient information quickly
	Implemented lab and Central Patient Index/Registry component of ICS project in one region	Will enable providers to move patient information across the region
	Developed a provincewide reference architecture.	Application is consistent across the province
	Implemented a lab results repository	Lab results are available electronically improving the timeliness of availability to providers and patients
	Rolled out Phase 2 of the Saskatchewan Medical Association Physician Desktop Project	Physicians have access to relevant information in a timely manner

MANAGE OUR BUSINESS EFFECTIVELY

What we planned	What we did	What this means
Adequate program management processes	SHIN operated within the approved budget	SHIN projects are delivered on budget
	Projects were delivered within budget and schedule based on the initial project plan	SHIN projects are planned and delivered in collaboration with the health regions and health-care providers
	Improved six key project management practices	SHIN provides project management services based on the industry's best practices
Adequate corporate policies and practices	Reported to SHIN Board regularly	SHIN ensures project development links to priorities identified by the health stakeholders
	Drafted and implemented team improvement plan	SHIN ensures staffing make up meets the need of the Corporation
	Reviewed and recommended adequate processes for change management, quality of service and service levels	SHIN provides a stable and secure environment for health-care applications and services
	Upgraded and implemented improved financial reporting system	SHIN is in compliance with established policies and procedures
Our stakeholders know our work is done effectively	A statement of services was provided to all stakeholders	Majority of SHIN stakeholders know SHIN's current status and long-term development plans. SHIN stakeholders know how SHIN is measuring progress on development plans
	Performance targets measured and reported to stakeholders via balanced scorecard in Annual Report	Majority of SHIN stakeholders know SHIN's current status and long-term development plans. SHIN stakeholders know how SHIN is measuring progress on development plans
	SHIN's CEO made presentations to update stakeholders on SHIN progress development plans	Majority of SHIN stakeholders know SHIN's current status and long-term development plans. SHIN stakeholders know how SHIN is measuring progress on development plans

SHIN PROJECTS

INTEGRATED CLINICAL SYSTEM – HOME CARE AND LAB GO LIVE

SHIN and Saskatchewan's five mid-sized health regions share a vision of a core electronic health record system that will give health-care providers up-to-date information on their patients when and where they need it.

The vision began to become reality in 2002, through the collaborative efforts of SHIN and the five regions involved in the Integrated Clinical System (ICS) project. As a result health-care providers in communities such as Moose Jaw, Swift Current and Prince Albert are using new electronic tools to provide better care to their patients.

The ICS project involves implementing common home-care, lab, pharmacy and registration applications in the regions. Once these "feeder" systems are established, authorized health care providers will have access to a range of patient information in a single electronic patient file or "common view."

Eventually, the integrated system will mean more patient information will be available to authorized care providers when and where they need it. It will also mean that within a health region, patients moving across the continuum of care will only need to give their registration information once rather than having to register with each system (i.e. radiology, lab, etc.) individually.

The project involves the Cypress, Prince Albert-Parkland, Sunrise, Prairie North and Five Hills Regional Health Authorities. These regions include the cities of Swift Current, Prince Albert, Yorkton, North Battleford, Moose Jaw and Lloydminster.

In 2002/2003, home-care providers in all five regions began using the new home-care application. Lab personnel in Swift Current also began using their new lab application.

As a result of the significant work accomplished by SHIN and the regions in the past year, the staff in the registration and pharmacy areas are poised to begin work on these new applications in 2003. As well, the project was initially limited to the five health districts. In 2003, the project will expand to reflect the larger, newly formed regions.

A Joint Steering Committee (JSC) comprised of senior representatives from the five regions and SHIN is overseeing the project at a strategic level. A rigorous procurement process began in late 2000 involving input from more than 70 front-line health-care providers and submissions from 11 vendors. In November 2001, the applications were selected and pre-implementation work began.

Work groups consisting of regional representatives from each of the clinical areas guide the process from planning through to implementation. Their input ensures the project meets the needs of health-care providers, and enables the implementation to be as efficient as possible.

Once established, the integrated system will give authorized health-care providers timely access to their patients' health records, allowing them to better understand their patients' overall health status and needs. Ultimately, it will assist health-care providers in giving enhanced care to their patients. The system will also reduce duplicate testing within facilities and across regions, saving patient and provider time as well as reducing overall costs to the health-care system.

All regions have agreed to develop a common configuration for the integrated system. This will enable SHIN to centrally host all of the applications, reducing implementation, maintenance and support costs across Saskatchewan's health sector. It will also assist in a better standardization of tests and processes across the province. Ultimately it will facilitate the creation of a single electronic patient file where the patient's provider will be able to view a range of that patient's information in an integrated format. This is called the common view application.

Cypress Regional Health Authority Intake Workers Heather Kuhlmann (left) and Judy Hardement (right) work with the new Home Care System.

HOME CARE

The home-care application assists care providers in the delivery of health-care services to people in the community. It reduces unnecessary admissions and allows earlier discharges of patients.

It is a comprehensive application that includes home-care program registration, client information, scheduling, timekeeping and billing, e-mail and paging, and statistical and management reporting.

The application allows home-care providers to transmit patient-visit information electronically into other departmental systems. This ensures health providers across the continuum of care have a better overall understanding of their patients' health-care needs. This in turn assists care providers in delivering enhanced care to their patients.

The home-care application was implemented in five regions in 2002/2003 and is currently being used by care providers in Cypress, Five Hills, Sunrise, Prince Albert-Parkland and Prairie North Regional Health Authorities.

"IT'S BROUGHT TOGETHER THE FIVE DISTRICTS INVOLVED AND WE'RE WORKING CLOSELY TOGETHER. REGINA AND SASKATOON BECAME INVOLVED AS WELL WHICH BROUGHT A LARGER SCOPE TO OUR PROJECT. WE REALIZED WE ALL HAVE SIMILAR GOALS – USING THE SYSTEM IN THE SAME WAY SO CLIENTS RECEIVE THE SAME STANDARD OF SERVICE AND OUR REPORTS OF SERVICE MEAN THE SAME THING."

Carol Gregoryk, R.N., B.Sc.N. *Team Manager, Pineland Home Care, Prince Albert Parkland Regional Health Authority.*

LABORATORY INFORMATION SYSTEM

The Laboratory Information System will help to automate the process of ordering, performing and reporting on tests. Currently test orders from physicians come to the lab administrative person in a paper format. This paper test order is then given to a lab technician, who performs the test. That individual prints out the results of the test and gives the paper back to the receptionist who compiles the results with the orders and mails them back to the physician. The new system will allow lab personnel to receive test orders electronically, manage test result data and generate reports electronically. Initially the reports will be mailed back to physicians. Eventually physicians will be able to receive these reports electronically.

The system allows lab results from areas including Core Lab, Hematology, Urinalysis, Microbiology, Blood Bank and others to be transmitted into other departmental systems. This means that a patient's lab results could be transmitted into a system that captures a range of patient information (i.e. lab, home care, pharmacy, radiology etc.) This is the first step in the creation of an electronic patient file.

The system was implemented by the Cypress Regional Health Authority in 2002/2003, and is poised to begin operating in Prince Albert-Parkland early in the 2003/2004 fiscal year.

Pat Brown, Laboratory Technologist, Cypress Regional Health Authority works on the Vitros 250 analyzer.

"I'VE HAD A VERY GOOD LEARNING EXPERIENCE WITH COMPUTERS AND LAB SYSTEMS ON THIS PROJECT. I THINK IT WILL BENEFIT PATIENTS BECAUSE IT PUTS US ONE STEP CLOSER TO HAVING INFORMATION AVAILABLE TO PHYSICIANS IN THE COMMON VIEW."

Alice Torborg, Lab Manager, *Prince Albert Parkland Regional Health Authority*

Dr. Peter Barrett of Saskatoon using Physician Desktop services.

"IT'S [PHYSICIAN DESKTOP PILOT] GREAT FOR PATIENT CARE BECAUSE WE CAN ACCESS THE LATEST AND GREATEST, IN TERMS OF [THE CARE] WE SHOULD BE PROVIDING."

Dr. Peter Barrett, Saskatoon

WHIC PROVIDER REGISTRY SYSTEM

In 2002/2003 SHIN received funding from the Canada Health Infoway Corporation to begin work on phase two of the Provider Registry project. The Provider Registry System is a project that is being led by the Western Health Information Collaborative (WHIC). The goal is to develop a centralized provider repository that will be used by each of the four western provinces.

With the funding it received from Canada Health Infoway, SHIN will work on developing an implementation plan for the integration of the Provider Registry System with health-region delivery systems. It will eventually contain key health-care provider data on licensed and unlicensed health providers in the province. The Registry is a key building block in an electronic health-record system.

PHYSICIAN DESKTOP PILOT

SHIN and the Saskatchewan Medical Association (SMA) are collaborating on a desktop pilot project for physicians. The project provides a pilot group of physicians with a common electronic desktop and a set of electronic clinical tools. It enables physicians to access information in Saskatchewan Health's Web-based applications, including results from the Provincial Lab, Person Registry information and drug profile information. The first phase of the project involved a group of seven physicians. In 2002/2003 SHIN and the SMA rolled out the desktop to a group of about 60 physicians. This pilot is the first step in providing physicians with electronic access to important health information required in treating their patients.

ST. PAUL'S ER ELECTRONIC HEALTH RECORD PILOT

SHIN assisted the Saskatoon Regional Health Authority (SRHA) in implementing a basic electronic health record in the St. Paul's Hospital Emergency Room in December 2001. SHIN and SRHA worked to implement and integrate the Sunrise Clinical Manager software, thereby adding value to Saskatoon's regional IT strategies.

The electronic patient record provides emergency room physicians with immediate access to registration, lab results and transcription information on the patients they are treating. It allows physicians to view information

Dr. Terry Zlipko, Head of Emergency Medicine for the Saskatoon Regional Health Authority, looks at patient information on a computer in St. Paul's Emergency Room

on their patients before seeing them rather than waiting for a paper medical record. It has the potential to reduce a patient's stay in the emergency room, and allow health-care providers to spend more time caring for patients and less time tracking down paper records. The system now holds more than 243,000 patient records. An evaluation of the project undertaken in 2002/2003 indicated physicians were satisfied with the security and accuracy of information, the training and support and the efforts of the implementation team. The evaluation also indicated physicians are optimistic about the potential of the software to increase the quality of care they deliver.

COMMUNITYNET

In 2002/2003 SHIN and SaskTel finished implementing the health-sector portion of CommunityNet. SHIN implemented various types of equipment which increase security on the health-sector part of the network to meet the needs of patients and providers. The result has been a secure high-speed network connecting 297 health-care facilities in 126 communities across10 regional health authorities. It also connects the Saskatchewan Medical Asso iation, Saskatchewan Association of Health Organizations, College of Physicians and Surgeons of Saskatchewan, College of Dental Surgeons

> ***"WE ARE GETTING A LEVEL OF INFORMATION, LITERALLY AT THE BEDSIDE, THAT WE DID NOT HAVE ACCESS TO BEFORE. WE'VE HAD ACCESS TO HARD-COPY [CHART] INFORMATION, BUT OUR MEDICAL RECORDS ARE QUITE A DISTANCE FROM THE EMERGENCY DEPARTMENT."***
>
> **Dr. Terry Zlipko**, Head of Emergency Medicine, *Saskatoon Regional Health Authority.*

of Saskatchewan, Saskatchewan Cancer Agency and Department of Family Medicine.

Using CommunityNet, SHIN and SaskTel have provided the health sector with a high-speed, high-bandwidth network, enabling many facilities to securely access important health-care applications and services previously only available in larger centres. This will enable rural and urban health-care workers to provide enhanced care to their patients at the point of service.

PROVINCIAL RENAL DATA MANAGEMENT

SHIN is now hosting the Renal Data Management System. The system enables physicians in Regina and Saskatoon to remotely monitor the progress of their patients. This reduces the amount of travel necessary for patients living in the Yorkton, Tisdale, Prince Albert and Swift Current areas.

The Renal Data Management System is a software application that provides better information on all aspects of the renal program including pre-dialysis, dialysis and transplantation.

The purpose of the system is to maintain client demographics, schedules and clinical data on all patients being treated for end-stage renal disease or on those who are at risk of kidney failure in Saskatchewan. Demographic and lab data is entered into the renal system manually. Dialysis treatment information is then transmitted through automated interfaces into the patient file stored in the renal system.

The application software runs across a network connecting six health regions to a central server hosted at SHIN. Currently 281 care providers access the system. More than 61,000 hemodialysis treatments were recorded in 2002/2003.

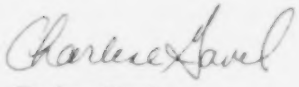
MANAGEMENT'S RESPONSIBILITIES

The accompanying financial statements included in the Annual Report for the year ended March 31, 2003, are the responsibility of management. Management has prepared these financial statements in accordance with Generally Accepted Accounting Principles in Canada, consistently applied using management's best estimates and judgments where appropriate.

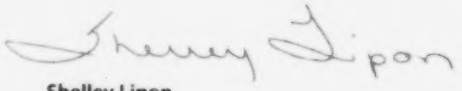
The Board of Directors is responsible for overseeing the business affairs of the Corporation and also has the responsibility for approving financial statements. The Board fulfills these responsibilities by reviewing financial information prepared by management and discussing the relevant matters with management and external auditors.

Management maintains a system of internal controls to ensure the integrity of information that forms the basis of the financial statements. The internal controls provide reasonable assurance that transcriptions are recorded and executed in compliance with legislation and required authority, that assets are properly safeguarded and that reliable records are maintained.

The Provincial Auditor of Saskatchewan has audited the financial statements. His report to the members of the Legislative Assembly appears preceding the financial statements.



Charlene Gavel
Chief Financial Officer



Shelley Lipon
Chief Executive Officer

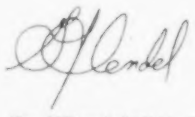
AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Saskatchewan Health Information Network as at March 31, 2003 and the statements of operations and accumulated surplus, cash flows and tangible capital assets for the year then ended. The Corporation's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2003 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Regina, Saskatchewan
May 16, 2003

Fred Wendel, CMA, CA
Provincial Auditor

STATEMENT 1 - STATEMENT OF FINANCIAL POSITION

As of March 31, 2003

(thousands of dollars)

	March 31, 2003	March 31, 2002
FINANCIAL ASSETS		
Due from General Revenue Fund *(Note 3)*	$ 3,473	$ 4,422
Accounts receivable		
Saskatchewan Health	604	348
Other	225	184
Note receivable - SaskTel *(Note 5)*	27	27
Prepaid expenses	82	110
Long Term note receivable - SaskTel *(Note 5)*	35	61
Total Financial Assets	4,446	5,152
LIABILITIES		
Accounts payable and accrued liabilities	1,460	2,243
Obligation to Saskatchewan Opportunities Corporation *(Note 6 and 9)*	125	162
Deferred revenue *(Note 10)*	629	450
Current portion of obligations under capital leases *(Note 8)*	315	254
Current portion of obligations under capital leases with SaskTel *(Note 5 and 6)*	220	110
Obligations under capital leases *(Note 8)*	175	386
Obligations under capital leases with SaskTel *(Notes 5 and 6)*	333	292
Total Liabilities	3,257	3,897
ACCUMULATED SURPLUS (STATEMENT 2)	**$ 1,189**	$ 1,255
Accumulated surplus represented by:		
Accumulated operating results	15,915	17,376
Less tangible capital assets (Statement 4)	(14,726)	(16,121)
	$ 1,189	$ 1,255

(See accompanying notes to financial statements)

STATEMENT 2 - STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the period ended March 31, 2003

(thousands of dollars)

	March 31, 2003 Budget	March 31, 2003 Actual	March 31, 2002 Actual
REVENUE			
Grants from Saskatchewan Health	$ 11,100	$ 11,100	$ 10,600
Renal Data Management System Funding	174	174	-
Operating Room Scheduling Funding	481	-	-
Interest and other revenue	299	1,254	1,405
Total Revenues	12,054	12,528	12,005
EXPENSES			
Salaries and benefits	755	701	478
Board expenses	58	32	41
Purchased services	605	418	778
Ongoing operations	4,804	4,224	3,486
Amortization	6,288	6,305	5,475
Accommodation expense	400	345	328
Miscellaneous expense	241	202	270
CommunityNet	2,025	1,756	683
Physician's Network	150	6	-
Total Expenses	15,326	13,989	11,539
Operating results	$ (3,272)	$ (1,461)	$ 466
Net Decrease (Increase) in tangible capital assets (Statement 4)		1,395	(426)
(DEFICIT) INCOME FOR THE PERIOD		(66)	40
ACCUMULATED SURPLUS, BEGINNING OF PERIOD		1,255	1,215
ACCUMULATED SURPLUS, END OF PERIOD (STATEMENT 1)		$ 1,189	$ 1,255

(See accompanying notes to financial statements)

STATEMENT 3 - STATEMENT OF CASH FLOWS

For the period ended March 31, 2003

(thousands of dollars)

	March 31, 2003	March 31, 2002
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts	$ 12,255	$ 12,160
Cash paid to suppliers	(7,702)	(4,247)
Cash paid to employees and board members	(733)	(519)
Increase in operating activities for the year	3,820	7,394
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of capital assets	(4,910)	(5,901)
(Decrease) in investing activities for the year	(4,910)	(5,901)
CASH FLOWS FROM FINANCING ACTIVITIES		
(Decrease) Increase in obligation to Saskatchewan Opportunities Corporation	(37)	65
Net change in deferred revenue	179	450
Net change in obligations under capital leases	150	508
Net change in obligations under capital leases with SaskTel	(151)	(46)
Increase in financing activities for the year	141	977
Net (decrease) increase in due from General Revenue Fund	(949)	2,470
Due from General Revenue Fund, beginning of year	4,422	1,952
Due from General Revenue Fund, end of the year	$ 3,473	$ 4,422

(See accompanying notes to financial statements)

STATEMENT 4 - STATEMENT OF TANGIBLE CAPITAL ASSETS

As of March 31, 2003

(thousands of dollars)

	Desktop Computer Hardware & Software	Computer Network Hardware	Licensed or Multiple Application Software	Office Furniture & Equipment	System Development Costs	March 31, 2003 Total	March 31, 2002 Total
Opening cost	$ 1,009	$ 3,300	$ 6,771	$ 22	$ 13,281	$ 24,383	$ 19,732
Additions during the year	22	130	127	55	4,283	4,617	5,051
Disposals	0	0	0	0	0	0	0
Closing Cost	1,031	3,430	6,898	77	17,564	29,000	24,783
Opening accumulated amortization	701	1,858	2,151	5	5,000	9,715	4,655
Annual amortization	313	1,111	1,368	8	2,929	5,729	5,133
Disposals	0	0	0	0	0	0	0
Closing accumulated amortization	1,014	2,969	3,519	13	7,929	15,444	9,788
Subtotal	17	461	3,379	64	9,635	13,556	14,995
Leased capital assets							
Opening cost	43	1,451	0	449	0	1,943	692
Additions	0	290	0	0	0	290	850
Disposals	0	0	0	0	0	0	0
Closing Cost	43	1,741	0	449	0	2,233	1,542
Opening accumulated amortization	13	272	0	204	0	489	74
Annual amortization	14	504	0	56	0	574	342
Disposals	0	0	0	0	0	0	0
Closing accumulated amortization	27	776	0	260	0	1,063	416
Subtotal	16	965	0	189	0	1,170	1,126
Net Book Value of Tangible Capital Assets	$ 33	$ 1,426	$ 3,379	$ 253	$ 9,635	$ 14,726	$ 16,121
Net decrease in tangible capital assets (Statement 2)							1,395

(See accompanying notes to financial statements)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2003

1. DESCRIPTION OF BUSINESS

The Saskatchewan Health Information Network (SHIN) was established as a Treasury Board Crown Corporation by Order in Council 581/1997 under the provisions of *The Crown Corporations Act, 1993 (Act)* effective August 19, 1997.

SHIN was created to design, implement, own, operate, and manage a Saskatchewan Health Information Network. SHIN's purpose is to foster the development of the health information technology sector, to foster re-engineering of health delivery processes and to protect health information as a strategic resource.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared using Canadian accounting principles appropriate for the public sector and reflect the following significant accounting principles.

a) The Basis of Accounting

The financial statements are prepared on the accrual basis of accounting.

b) Revenue

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues.

c) Expenses

Expenses represent the cost of resources consumed during the year for operations. Expenses include provision for the amortization of tangible capital assets.

d) Tangible Capital Assets

Tangible capital assets are recorded at cost and are amortized over their useful life. Amortization is recorded, commencing with the quarter after the assets are placed into service, on a straight-line basis at the annual rates set out below:

Desktop Computer Hardware	33%
Computer Software	33%
Network Hardware, Software & System Development Costs	20%
Office Equipment	20%
Office Furniture	10%

e) Net increase in tangible capital assets

The net increase in tangible capital assets represents adjustments required to report the surplus (deficit) for the year on an expenditure basis.

f) Measurement Uncertainty

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of financial assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they became known.

3. DUE FROM THE GENERAL REVENUE FUND

SHIN's bank account is included in the Consolidated Offset Bank Concentration arrangement for the Government of Saskatchewan.

Earned interest is calculated and paid by the General Revenue Fund on a quarterly basis into the Corporation's bank account using the Government's 30-day borrowing rate and SHIN's average daily account balance.

4. MAINTENANCE AGREEMENTS FOR SOFTWARE

SHIN has several agreements with software vendors to provide maintenance for software that has been purchased by SHIN. $774,000 is committed for the following year and will likely continue into the future.

5. AGREEMENT WITH SASKTEL

On July 31, 2000, SHIN entered into a five-year Master Service Agreement (MSA) with SaskTel to provide Data Centre Services. Under this agreement SaskTel houses and operates SHIN's Data Centre equipment and provides related Data Centre Services. The committed costs for those services are $39,940 per month.

The equipment in the Data Centre is purchased by SaskTel and leased to SHIN. SHIN has recorded these as capital leases in its financial statements.

Upon inception of the lease, SaskTel purchased existing Data Centre equipment from SHIN and entered into a sales-lease-back arrangement. The net book value of the equipment transferred was $133,000. SaskTel is reducing the amount of SHIN's lease by $2,212 over 60 months to reflect the purchase of this equipment from SHIN. This reduction in lease payments is included in the financial statements as a receivable from SaskTel.

In addition several leases for computer equipment are in effect, which expire concurrent with the MSA on July 31, 2005. These leases have terms ranging from 30-60 months.

Minimum annual payments under leases on property and equipment over the next three years are as follows:

2004	$ 259,501
2005	$ 259,952
2006	$ 94,730
Total Minimum Lease payments:	$ 614,183
Less Amount Representing Interest: *(rates vary between 9.5% and 10%)*	$ 60,787
Balance of Obligation	$ 553,396

6. RELATED PARTIES

These financial statements include routine transactions with related parties. SHIN is related to all Saskatchewan Crown agencies such as departments, corporations, boards and commissions under the common control of the Government of Saskatchewan. Related party transactions to March 31, 2003, include payments to the following:

SaskTel	$ 1,523,000
Saskatchewan Property Management Corporation	$ 1,669,984
Saskatchewan Opportunities Corporation	$ 414,000

Other transactions with related parties and amounts due to/from them are described separately in the financial statements and the notes thereto.

Routine operating transaction with related parties are recorded at the rates charged by those organizations and are settled on normal trade terms. In addition, SHIN pays Provincial Sales Tax to the Saskatchewan Department of Finance on all its taxable purchases.

7. FINANCIAL INSTRUMENTS

SHIN's financial instruments include due from the General Revenue Fund, accounts receivable, long-term note receivable, and accounts payable. The carrying amount of these instruments approximates fair value due. These instruments have no interest or credit risk.

8. CAPITAL LEASES

SHIN has several leases on property and equipment. The minimum annual lease payments for capital leases over the next three years are as follows:

Capital leases:	
2004	66,329
2005	33,467
2006	2,755
Total Minimum Lease Payments	102,551
Less Amount Representing Interest: *(rates vary between 7.8% and 11%)*	8,617
Balance of the Obligation	93,934

SHIN has entered into several 30-36-month lease agreements for network equipment for the CommunityNet initiative. The minimum annual lease payments for these capital leases are as follows:

Capital leases:	
2004	274,767
2005	134,199
2006	8,962
Total Minimum Lease Payments	417,928
Less Amount Representing Interest: *(rates vary between 7.8% and 11%)*	21,726
Balance of the Obligation	396,202

9. OPERATING LEASES:

SHIN has entered into a lease agreement with Saskatchewan Opportunities Corporation, a related party, for office space. The operating lease payments over the next two years are as follows:

2004	151,183
2005	12,598
Total Lease Payments	163,781

SHIN also has an obligation to Saskatchewan Opportunities Corporation totalling $124,800 for leasehold improvements.

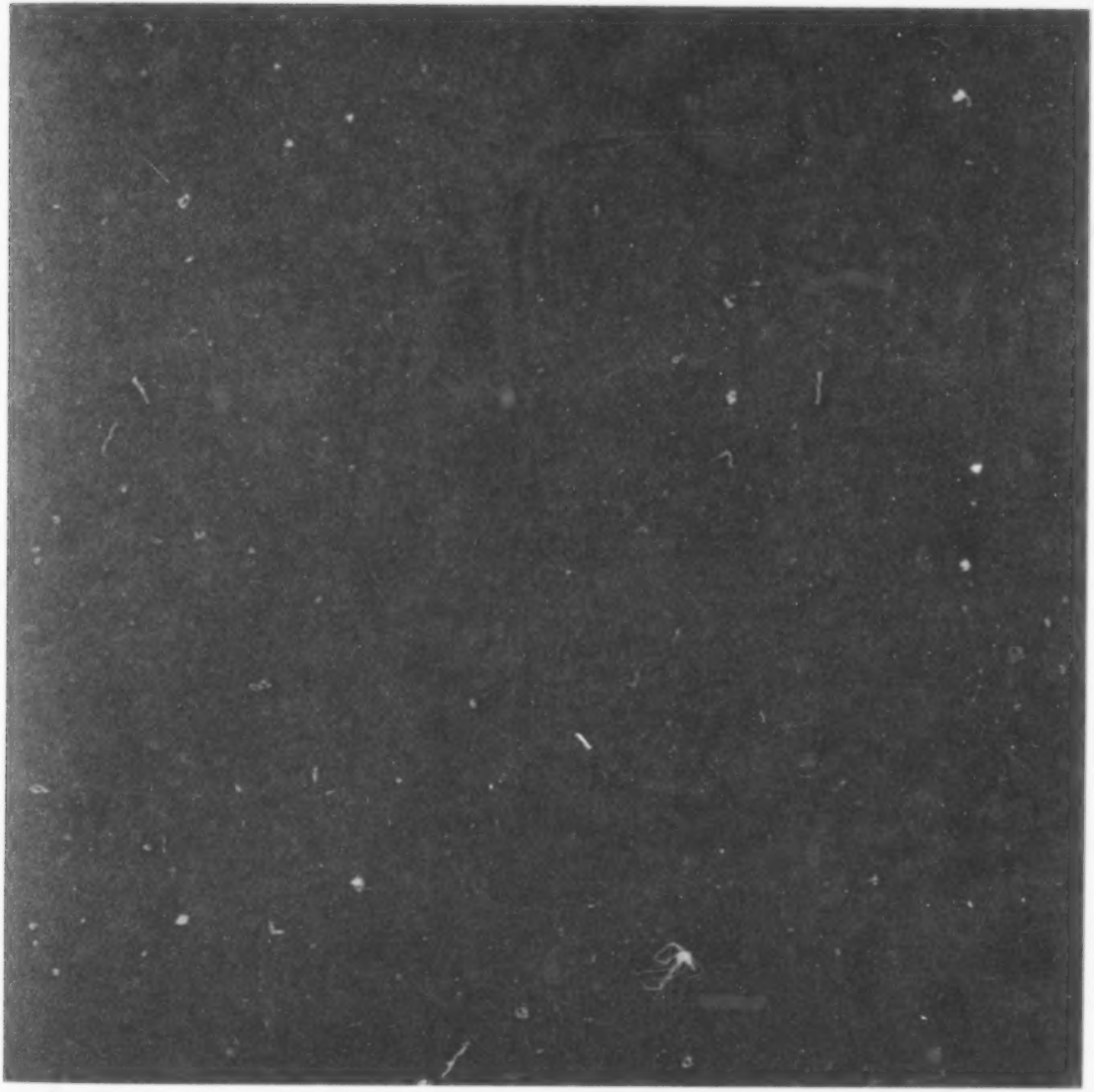
10. DEFERRED REVENUE

In the previous year, SHIN received $450,000 from Saskatchewan Health to work on an early childhood development project. In 2003, $7,640 was spent on the project. The balance, $442,360, is to be spent in 2004 when the project is expected to be completed.

In the current year, SHIN received $248,800 from Saskatchewan Health to purchase software. $62,531 was paid upon signing of the agreement to purchase. The balance, $186,269 will be expensed upon successful installation and the software being put into production.

11. COMPARATIVE INFORMATION

Certain 2002 balances have been reclassified to conform with the current year's presentation.



Suite 360-10 Research Drive, Regina, Saskatchewan, Canada, S4S 7J7

For more information on SHIN or for additional copies of the 2002/2003 Annual Report,
please call 787-9621 or visit our website at www.shin.sk.ca